

# Industry Circular



## Internal Revenue Service

Alcohol and Tobacco Tax Division  
Washington, D.C. 20224

Industry Circular No. 70-19

June 12, 1970

### SUBSTANTIATING GRAPE VARIETAL NAMES, VINTAGE DATES, AND APPELLATIONS OF ORIGIN FOR WINES

Proprietors of Bonded Wine Cellars,  
Taxpaid Wine Bottling Houses,  
and Others Concerned:

#### 1. Purpose

The purpose of this circular is to remind proprietors of the necessity of preparing and maintaining accurate records to establish that wines accounted for and disposed of under grape varietal names, vintage dates, and appellations of origin are entitled to them.

#### 2. Background

Inspections of wineries have disclosed instances where incomplete or fragmentary records did not permit verification of the kind and origin of the wines. On the basis of these incomplete records, the wines in question were ineligible for such descriptions.

To be eligible for these descriptions the wines must, under Regulations 4 of the Federal Alcohol Administration regulations, meet the following requirements:

Varietal Wine. "A name indicative of a variety of grape may be employed as the type designation of a grape wine if the wine derives its predominant taste, aroma, and characteristics, and at least 51 per cent of its volume, from that variety of grape..." (27 CFR 4.23)

Vintage Wine. "...a wine made wholly from grapes gathered in the same calendar year and fermented in the same viticultural area..." (27 CFR 4.10(h))

"In the case of domestic vintage wine bottled or packed in containers by the permittee who crushed the grapes, fermented the must, and clarified such wine, the year of vintage may be stated but only if there is likewise stated on the brand label...the name of the viticultural area in which the grapes were grown and the wine fermented." (27 CFR 4.39(b)(1))

Appellation of Origin. "A wine shall be entitled to an appellation of origin if (1) at least 75 per cent of its volume is derived from fruit or other agricultural products both grown and fermented in the place or region indicated by such appellation, (2) it has been fully manufactured and finished within such place or region..." (27 CFR 4.25(a))

"Wines subjected to cellar treatment outside the place or region of origin under the provisions of § 4.22(c), and blends of wines of the same origin blended together outside the place or region of origin (if all the wines in the blend have a common class, type or other designation which is employed as the designation of the blend) shall be entitled to the same appellation of origin to which they would be entitled if such cellar treatment or blending took place within the place or region of origin. (27 CFR 4.25(b))

### 3. Procedures

It is suggested that in evaluating whether your records are adequate, you refer to the above references to determine whether your records will permit complete verification of the vintage dates, grape varietal designations, or appellations claimed from receipt of material through production, storage and disposition. For example: If you mingle two or more wines and market the resultant mixture under a grape varietal name, your records must be able to substantiate the fact that the resultant mixture derived not less than 51 per cent of its volume from the variety indicated by the varietal designation.

### 4. Inquiries

Inquiries concerning this circular should refer to it by number and be addressed to the Director, Alcohol, Tobacco and Firearms Division, Internal Revenue Service, Washington, D. C. 20224 (Attention: CP:AT:B).



Harold A. Serr, Director  
Alcohol, Tobacco and Firearms Division